

Federal Reserve System

§ 208.15

appropriate resolution duly adopted by the board of directors of the bank.

[Reg. H, 17 FR 8006, Sept. 4, 1952. Redesignated at 39 FR 5482, Feb. 13, 1974, as amended at 59 FR 55988, Nov. 10, 1994]

§ 208.12 Board forms.

All forms referred to in this part and all such forms as they may be amended from time to time shall be a part of the regulations in this part.

[Reg. H, 17 FR 8006, Sept. 4, 1952. Redesignated at 39 FR 5482, Feb. 13, 1974]

§ 208.13 Capital adequacy.

The standards and guidelines by which the capital adequacy of state member banks will be evaluated by the Board are set forth in appendix A and appendix E for risk-based capital purposes, and, with respect to the ratios relating capital to total assets, in appendix B to part 208 and in appendix B to the Board's Regulation Y, 12 CFR part 225.

[Reg. H, 61 FR 47369, Sept. 6, 1996]

§ 208.14 Procedures for monitoring Bank Secrecy Act compliance.

(a) *Purpose.* This section is issued to assure that all state member banks establish and maintain procedures reasonably designed to assure and monitor their compliance with the provisions of subchapter II of chapter 53 of title 31, United States Code, the Bank Secrecy Act, and the implementing regulations promulgated thereunder by the Department of Treasury at 31 CFR part 103, requiring recordkeeping and reporting of currency transactions.

(b) *Establishment of compliance program.* On or before April 27, 1987, each bank shall develop and provide for the continued administration of a program reasonably designed to assure and monitor compliance with the recordkeeping and reporting requirements set forth in subchapter II of chapter 53 of title 31, United States Code, the Bank Secrecy Act, and the implementing regulations promulgated thereunder by the Department of Treasury at 31 CFR part 103. The compliance program shall be reduced to writing, approved by the board of directors, and noted in the minutes.

(c) *Contents of compliance program.* The compliance program shall, at a minimum:

- (1) Provide for a system of internal controls to assure ongoing compliance;
- (2) Provide for independent testing for compliance to be conducted by bank personnel or by an outside party;
- (3) Designate an individual or individuals responsible for coordinating and monitoring day-to-day compliance; and
- (4) Provide training for appropriate personnel.

(Approved by the Office of Management and Budget under control number 7100-0196)

[Reg. H, 52 FR 2860, Jan. 27, 1987]

§ 208.15 Agricultural loan loss amortization.

(a) *Definitions.* For purposes of this section:

- (1) *Agricultural Bank* means a bank:
 - (i) The deposits of which are insured by the Federal Deposit Insurance Corporation;
 - (ii) Which is located in an area of the country the economy of which is dependent on agriculture;
 - (iii) Which has total assets of \$100,000,000 or less as of the most recent Report of Condition; and
 - (iv) Which has:
 - (A) At least 25 percent of its total loans in qualified agricultural loans and agriculturally-related other property; or
 - (B) Less than 25 percent of its total loans in qualified agricultural loans and agriculturally-related other property but which bank the Board or the Reserve Bank in whose District the bank is located or its primary state regulator has recommended to the Federal Deposit Insurance Corporation for eligibility under this part.

(2) *Qualified agricultural loan* means:

- (i) Loans qualifying as *loans to finance agricultural production and other loans to farmers* or as *loans secured by farm land* for purposes of Schedule RC-C of the FFIEC Consolidated Report of Condition or such other comparable schedule;
- (ii) Loans secured by farm machinery;
- (iii) Other loans that a bank proves to be sufficiently related to agriculture